

State of the Sector Member Survey: November 2021 (looking back at October 2021)





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Introduction

These are the results of the 6th and final survey of 2021. EDA State of the Sector Surveys were issued in January, March, May, July, September and November 2021. As always there is a separate survey for EDA wholesalers and for EDA manufacturers.

73 (out of 251 wholesaler businesses, and we also polled HQ each of the 4 buying groups) EDA wholesalers responded to this survey: generating a 29% response rate. On the next page you'll find breakdown of wholesaler responders by number of branches. Highlights from this Survey were presented at our Talking Shop Zoom Dialogues on Tuesday 23 November and Wed 24 November 2021.

Elsewhere:

In December 2021 the PM announced the triggering of 'plan B' of its Covid-19 winter response, asking people to work from home if they could from Monday 13 December 2021.

Highlights

Wholesalers' business challenges were divided into two groups, operational and strategic. Operationally, concerns over product supply have been the most pressing concern for wholesalers since July 2020 – [find out what else wholesalers are concerned about](#). Strategically, concerns over [digitalisation is the number one priority](#). The EDA has been working to digitalise this sector and is well-placed to help.

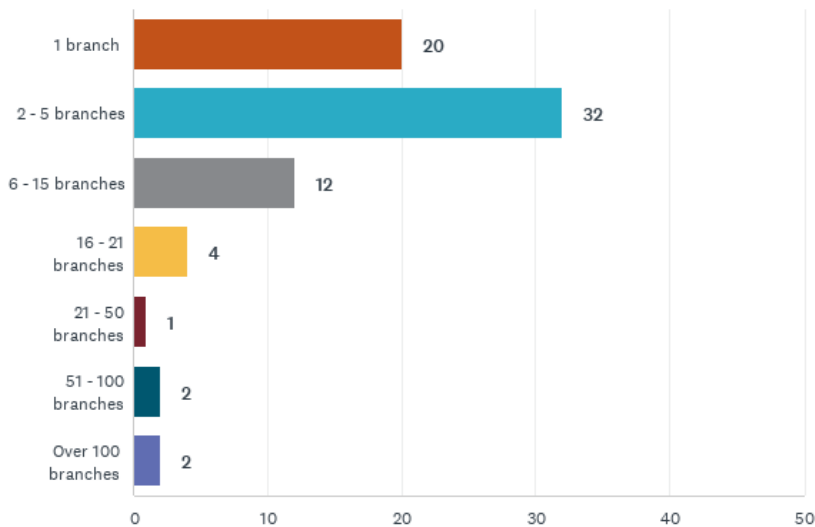
Recruiting the right people to drive growth is a concern for wholesalers, as indeed it is across the whole sector. Recruiting and staffing issues emerged as a key theme in [constraining wholesaler growth, as you see here](#). We also included a whole section on recruitment issues, which [you can view on page 21](#).

Wholesalers were also asked for their predictions for the 2022. You'll find their answers on [page 25 onwards](#).

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Q1: Business Size

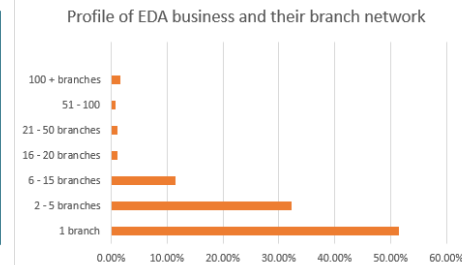


Responses represent c. 1,000 businesses across the UK

ANSWER CHOICES	RESPONSES	
1 branch (1)	27.40%	20
2 - 5 branches (2)	43.84%	32
6 - 15 branches (3)	16.44%	12
16 - 21 branches (4)	5.48%	4
21 - 50 branches (5)	1.37%	1
51 - 100 branches (6)	2.74%	2
Over 100 branches (7)	2.74%	2
TOTAL		73

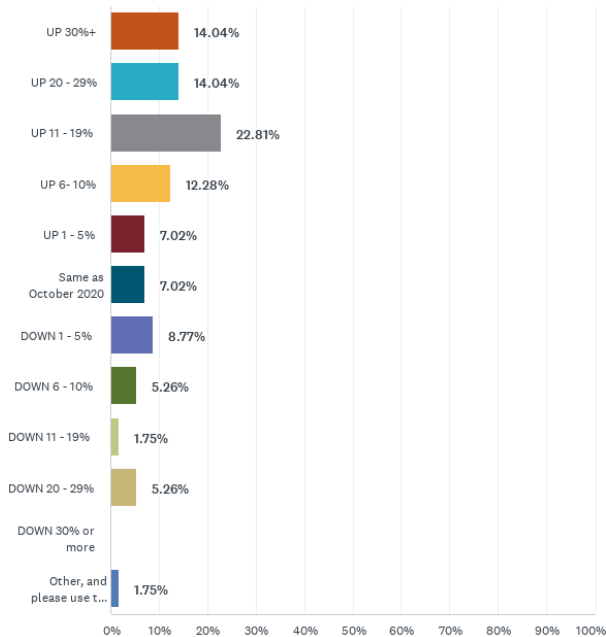
BASIC STATISTICS				
Minimum	Maximum	Median	Mean	Standard Deviation
1.00	7.00	2.00	2.29	1.35

On the right is a breakdown of EDA wholesalers by volume of branches. Over 50% of all EDA businesses are 1 branch organisations





Q2: How does your turnover in October 2021 compare with your turnover in October 2020?



ANSWER CHOICES	RESPONSES	
UP 30%+	14.04%	8
UP 20 - 29%	14.04%	8
UP 11 - 19%	22.81%	13
UP 6 - 10%	12.28%	7
UP 1 - 5%	7.02%	4
Same as October 2020	7.02%	4
DOWN 1 - 5%	8.77%	5
DOWN 6 - 10%	5.26%	3
DOWN 11 - 19%	1.75%	1
DOWN 20 - 29%	5.26%	3
DOWN 30% or more	0.00%	0
Other, and please use the space below for your feedback: (12)	1.75%	1
TOTAL		57

BASIC STATISTICS				
Minimum	Maximum	Median	Mean	Standard Deviation
1.00	12.00	3.00	4.30	2.72

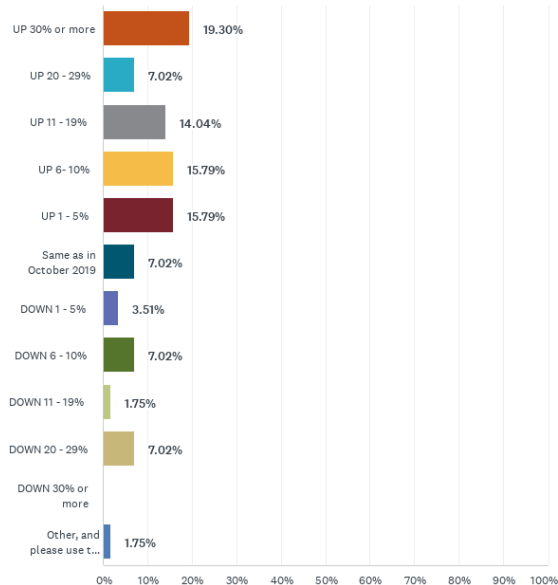
2021 has been a positive year for wholesalers: 70% of responders reported an increase on turnover compared to 2020.

The figures do not factor in inflation. The Consumer Price Index (CPI) rose by 5.1% in the 12 months to November 2021, up from 4.2% in October 2021.

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Q3: How does your turnover in October 2021 compare with your turnover in October 2019?



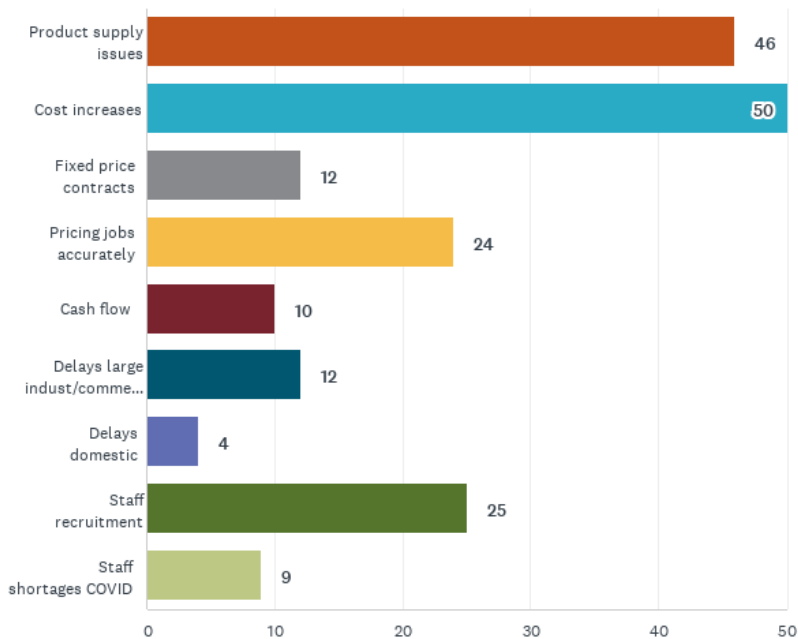
ANSWER CHOICES	RESPONSES
UP 30% or more	19.30% 11
UP 20 - 29%	7.02% 4
UP 11 - 19%	14.04% 8
UP 6 - 10%	15.79% 9
UP 1 - 5%	15.79% 9
Same as in October 2019	7.02% 4
DOWN 1 - 5%	3.51% 2
DOWN 6 - 10%	7.02% 4
DOWN 11 - 19%	1.75% 1
DOWN 20 - 29%	7.02% 4
DOWN 30% or more	0.00% 0
Other, and please use the space below for your feedback: (12)	1.75% 1
TOTAL	57

BASIC STATISTICS				
Minimum	Maximum	Median	Mean	Standard Deviation
1.00	12.00	4.00	4.47	2.81

2021 was a better year than 2019 for most wholesalers: 72% of responders said turnover was up on the same month 2019.



Q4: In discussions with your contractor customers, which of the following are their areas of concern. *Tick all that apply.*



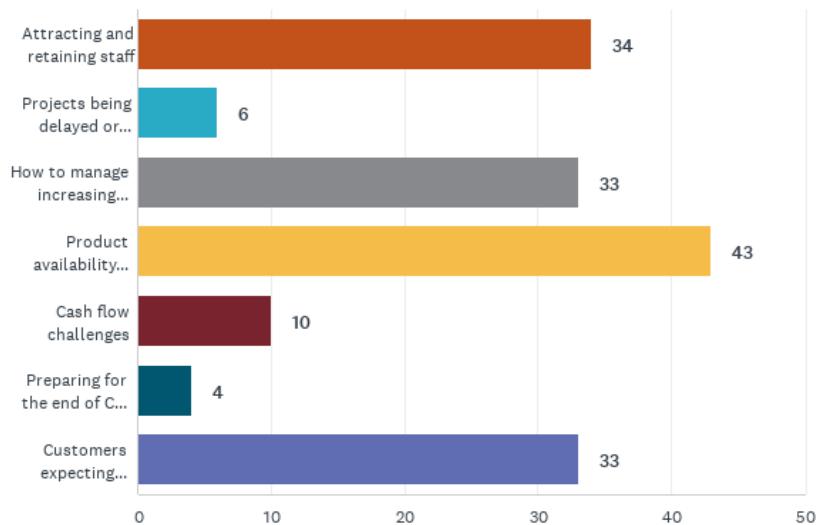
ANSWER CHOICES	RESPONSES	
Product supply issues (1)	80.70%	46
Cost increases (2)	87.72%	50
Fixed price contracts	21.05%	12
Pricing jobs accurately	42.11%	24
Cash flow (5)	17.54%	10
Delays large indust/commercial projects (6)	21.05%	12
Delays domestic	7.02%	4
Staff recruitment (8)	43.86%	25
Staff shortages COVID	15.79%	9
Total Respondents: 57		

BASIC STATISTICS				
Minimum	Maximum	Median	Mean	Standard Deviation
1.00	9.00	2.50	3.69	2.63

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Q5: Which three **operational** challenges are your most pressing at this time?



ANSWER CHOICES	RESPONSES
Attracting and retaining staff (1)	59.65% 34
Projects being delayed or cancelled due to shortage of building materials (2)	10.53% 6
How to manage increasing costs across all areas of the business (3)	57.89% 33
Product availability issues (4)	75.44% 43
Cash flow challenges (5)	17.54% 10
Preparing for the end of CE marking and the introduction of new UKCA marking (Jan 2023) (6)	7.02% 4
Customers expecting products to be available from stock and at short lead times (7)	57.89% 33
Total Respondents: 57	

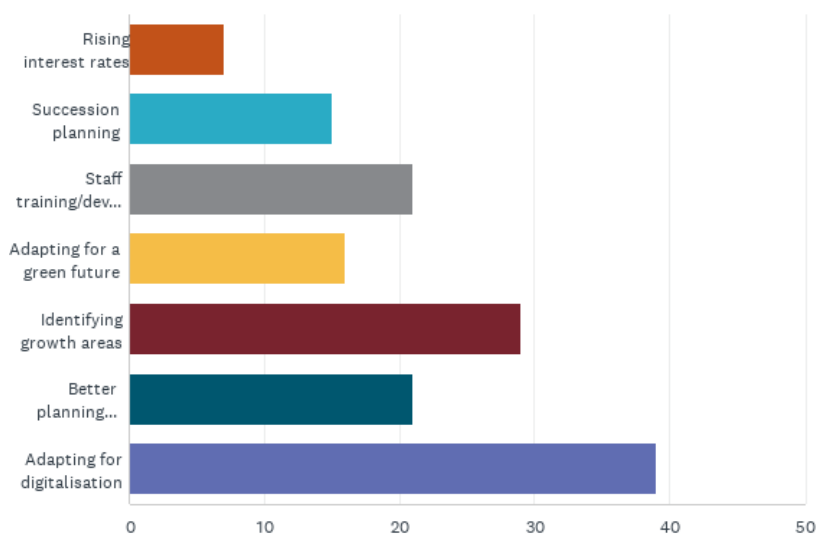
BASIC STATISTICS				
Minimum	Maximum	Median	Mean	Standard Deviation
1.00	7.00	4.00	3.82	2.04

Concerns over product availability has been the number one challenge for wholesalers since the EDA's survey in July 2020.

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Q6: Which three **strategic** challenges are your most pressing at this time?



ANSWER CHOICES	RESPONSES
Rising interest rates (1)	12.73% 7
Succession planning	27.27% 15
Staff training/development	38.18% 21
Adapting for a green future	29.09% 16
Identifying growth areas	52.73% 29
Better planning structures	38.18% 21
Adapting for digitalisation	70.91% 39
Total Respondents: 55	

BASIC STATISTICS				
Minimum	Maximum	Median	Mean	Standard Deviation
1.00	7.00	5.00	4.78	1.87

Strategically, wholesalers are concerned about adapting their businesses for digitalisation.

Time to speak to EDA Data Services: 020 3141 7350.

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Q7: What is MOST LIKELY to constrain your output over the next year?

Key themes (in no particular order) :

- Delayed projects
- Uncertainty
- Recruiting new staff, of the right quality to drive growth
- Product availability
- Price increases
- Rising inflation
- Rising interest rates
- Cash flow concerns
- Customer credit limits
- Increased levels of bad debt
- Economic uncertainty, downturn in business
- Covid uncertainty
- Online/digital competition
- Green future

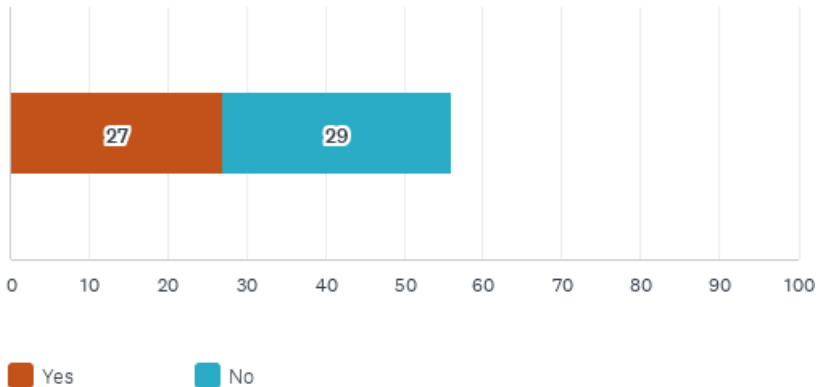


This was an open-ended question, inviting comment: these key themes emerged.

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Q8: Does your business have insurance against cyber crime including ransomware, hacks, data breaches, lost income etc?



ANSWER CHOICES	RESPONSES
Yes (1)	48.21% 27
No (2)	51.79% 29
TOTAL	56

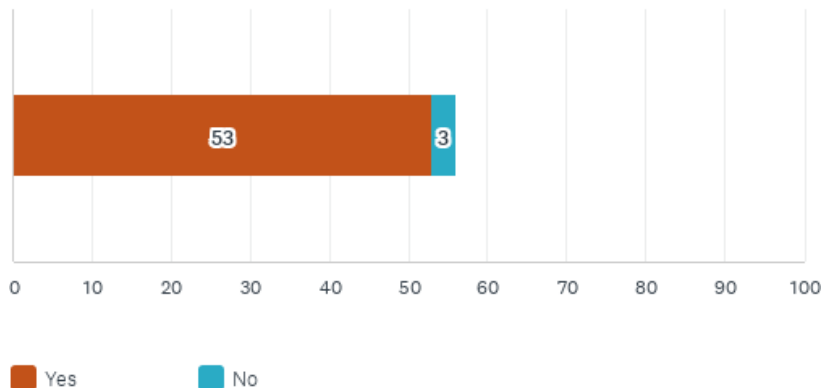
BASIC STATISTICS				
Minimum	Maximum	Median	Mean	Standard Deviation
1.00	2.00	2.00	1.52	0.50

According to government official statistics (March 2021) Four in ten businesses (39%) and a quarter of charities (26%) report having cyber security breaches or attacks in the last 12 months. Like previous years, this is higher among medium businesses (65%), large businesses (64%) and high-income charities (51%).

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Q9: Does your business have access to IT professionals (internal or external) who could support you in the event of cyber crime?



ANSWER CHOICES	RESPONSES
Yes (1)	94.64% 53
No (2)	5.36% 3
TOTAL	56

BASIC STATISTICS				
Minimum	Maximum	Median	Mean	Standard Deviation
1.00	2.00	1.00	1.05	0.23

The [EDA website](#) has a dedicated page offering [National Cyber Security Centre resources \(NCSC\)](#). A representative from the NCSC presented at our Daventry Regional Business Forum in November 2021 – [download the presentation here](#).

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Q10: Please tell us what else the EDA could do to help you protect your business from cyber crime?

Open-ended comments from wholesalers about what else the EDA could be doing regarding cyber crime:

- Grants to support key investment in that area
- We do not have a great online presence, so this does not list highly on my list of concerns.
- Awareness
- Carry on raising awareness of the problem. If you could find someone in the EDA who has been through this crime an describe their experience as a case study it may bring it home to other EDA members
- Provide ongoing information and examples of potential issues.
- I believe you are making the organisation aware with online content and guest speakers. Individually we have to take the steps in our business to minimise the risk
- Raise the awareness of cyber crime
- Spread news quickly amongst members and affiliates of any known issues

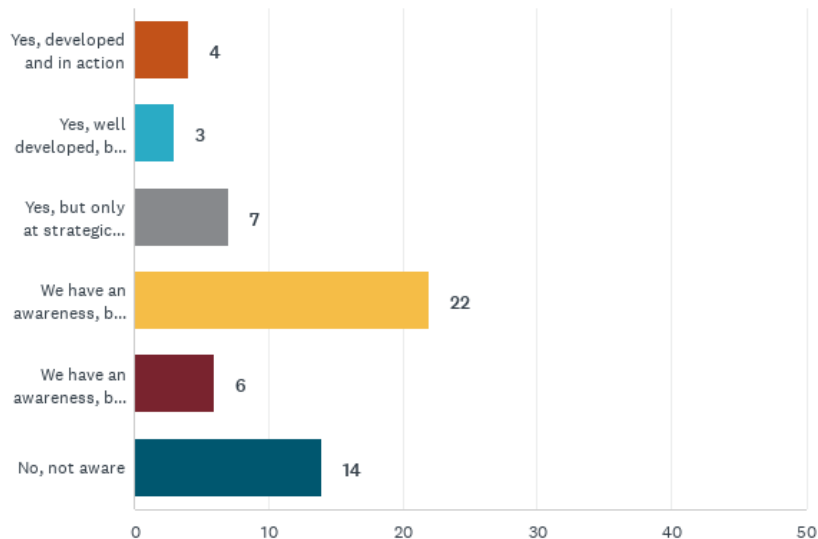


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A representative from the NCSC presented at our Daventry Regional Business Forum in November 2021 – [download the presentation here](#).

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Q11: The Circular Economy is all about keeping products in use for as long as possible, thereby reducing both raw material extraction and waste. This is done by making products more durable, reusable, repairable (on site) or capable of being reengineered at a service point or at the manufacturers.

Do you have a plan for how your business could engage with the Circular Economy?



ANSWER CHOICES	RESPONSES
Yes, developed and in action (1)	7.14% 4
Yes, well developed, but not fully rolled out (2)	5.36% 3
Yes, but only at strategic level (3)	12.50% 7
We have an awareness, but no plan (4)	39.29% 22
We have an awareness, but we don't think it helps our business (5)	10.71% 6
No, not aware (6)	25.00% 14
TOTAL	56

BASIC STATISTICS				
Minimum	Maximum	Median	Mean	Standard Deviation
1.00	6.00	4.00	4.16	1.44

This question was proposed by the Lighting Industry Association (LIA)

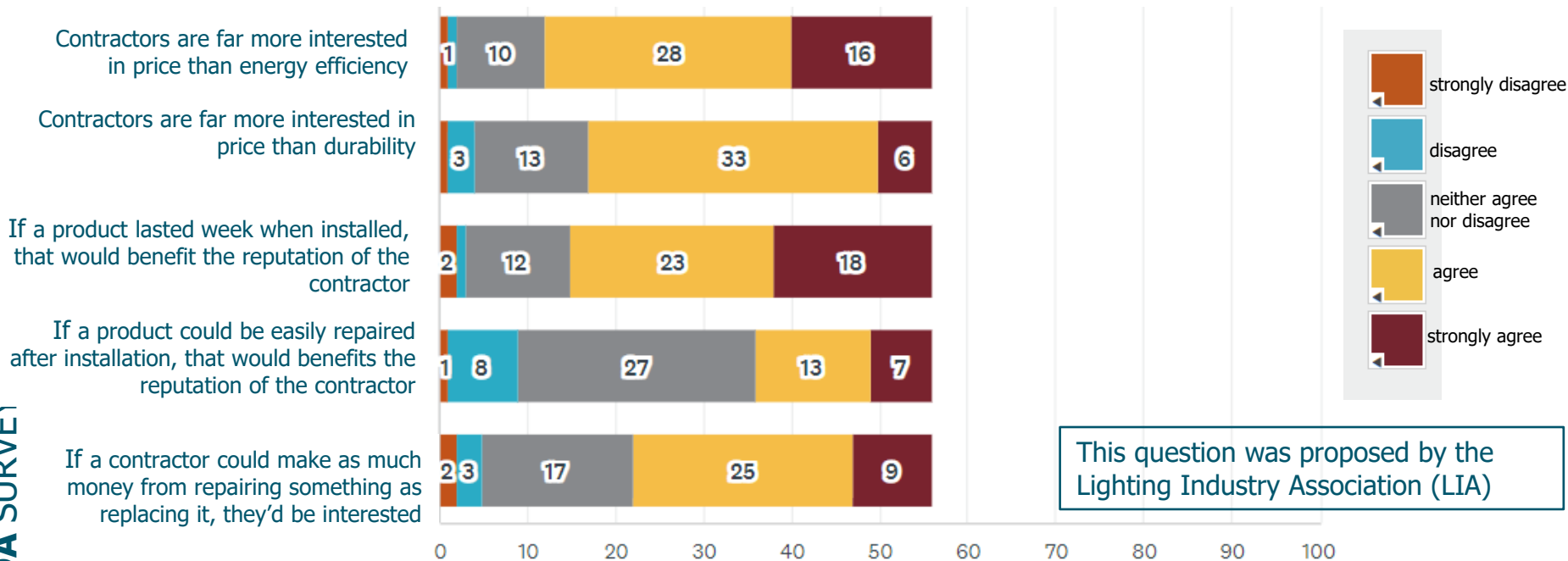
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Q12: With global warming, disrupted supply chains, raised material costs and higher energy costs all being in the media lately, it looks like the future in terms of sustainability may have arrived 5 years early.



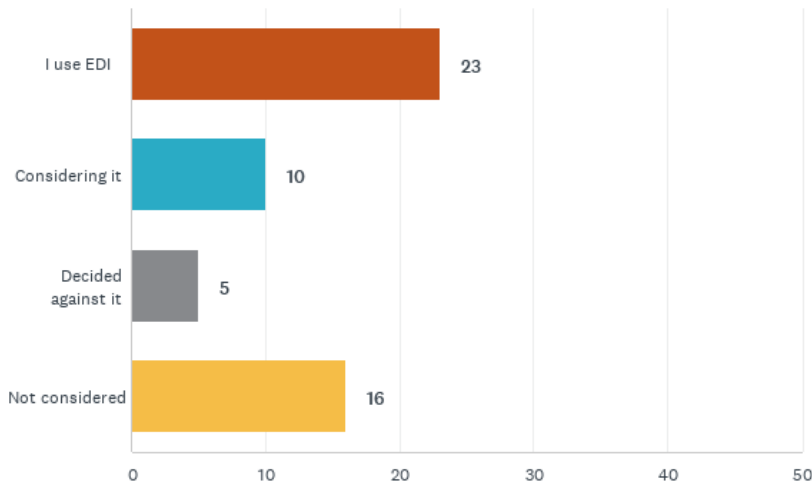
How do you consider the following options in terms of your business being able to profit from them? 1 is strongly disagree, and 5 is strongly agree.



This question was proposed by the Lighting Industry Association (LIA)



Q13: Do you use EDI (Electronic Data Interchange) to place orders with, or receive invoices from, your suppliers?



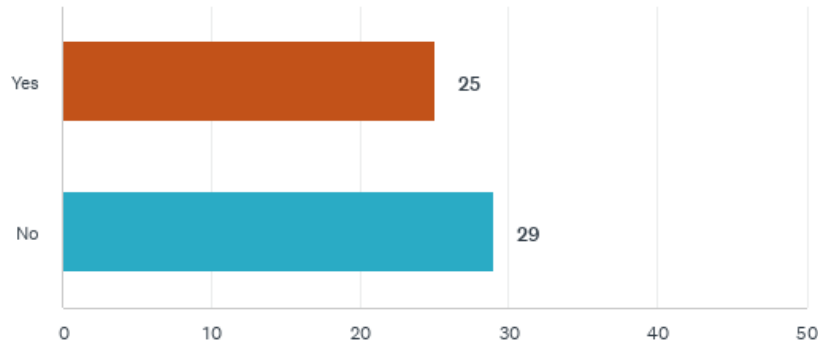
ANSWER CHOICES	RESPONSES	
I use EDI	42.59%	23
Considering it	18.52%	10
Decided against it	9.26%	5
Not considered	29.63%	16
TOTAL		54

BASIC STATISTICS				
Minimum	Maximum	Median	Mean	Standard Deviation
1.00	4.00	2.00	2.26	1.28

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Q14: Are you aware that product data from EDATA (the EDA's industry data pool) can be used to support your EDI activities?



ANSWER CHOICES	RESPONSES	
Yes (1)	46.30%	25
No (2)	53.70%	29
TOTAL		54

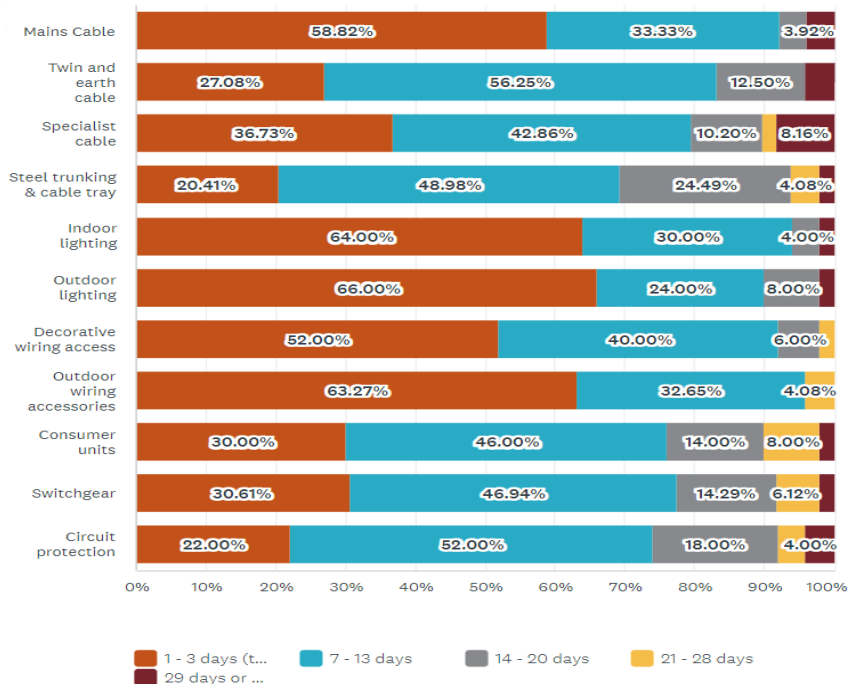
BASIC STATISTICS				
Minimum	Maximum	Median	Mean	Standard Deviation
1.00	2.00	2.00	1.54	0.50

For more on EDATA, the industry data pool, [visit our website](#) or call the EDA Data Services Team on 020 3141 7350.

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Q15: Over the last 8 weeks what has been the lead time from your suppliers, on average, for the following products?



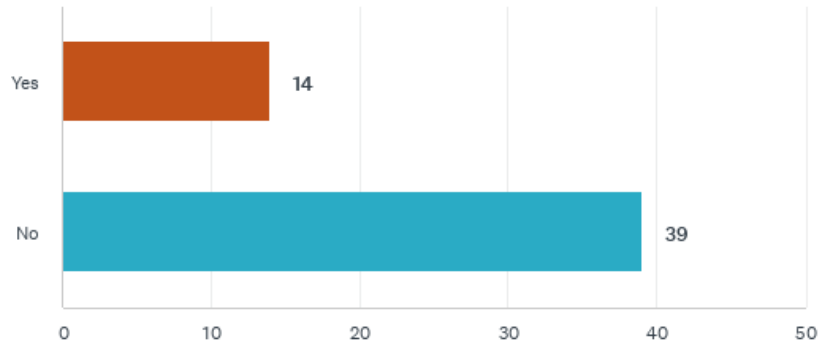
Q16: Please use the space below to tell us of any other product areas, not listed above, where you are experiencing delays in supply?

- Steel
- Screws and other fixings
- Steel conduit fittings and general fixings
- Supplies from Europe
- General delays at the port for container onward delivery to premises.
- New vans
- The majority of the above are sourced bulk from overseas hence greater than 29 days lead time
- Heating: anything with semiconductors in it
- Lighting controls

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Q16: During October 2021 has your team been affected by Test & Trace?



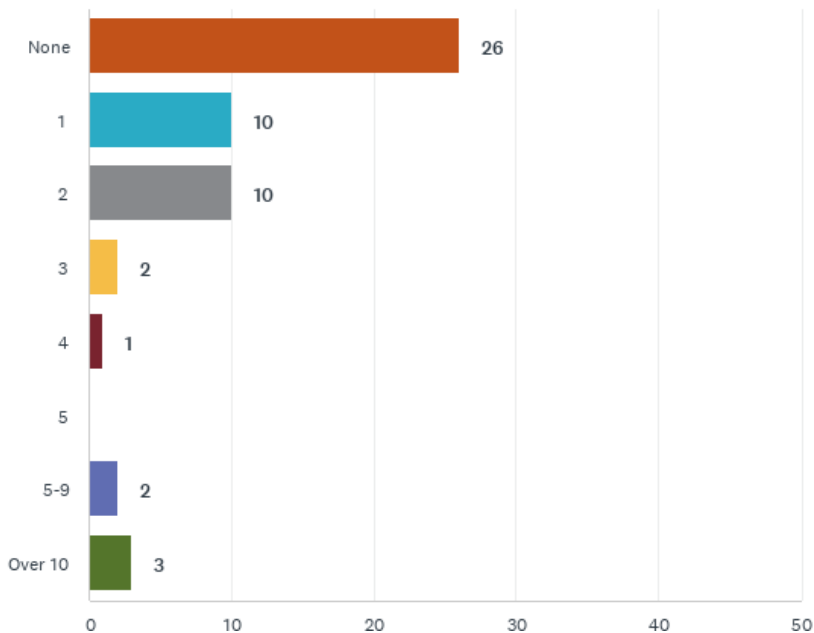
ANSWER CHOICES	RESPONSES	
Yes (1)	26.42%	14
No (2)	73.58%	39
TOTAL		53

BASIC STATISTICS				
Minimum	Maximum	Median	Mean	Standard Deviation
1.00	2.00	2.00	1.74	0.44

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Q17: How many apprentices do you currently employ?



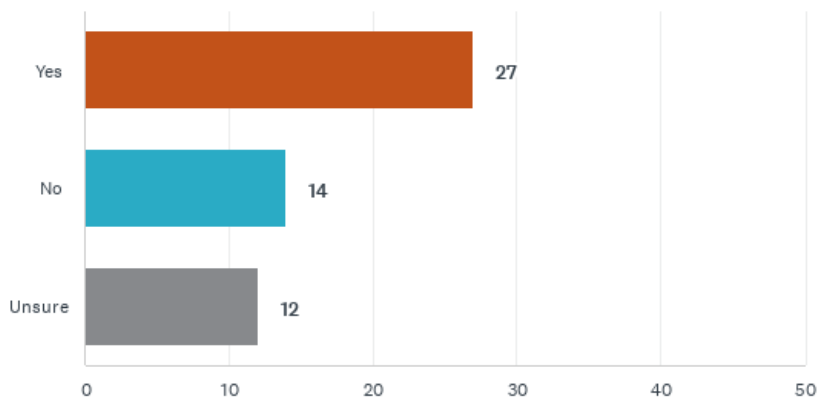
ANSWER CHOICES	RESPONSES	
None (1)	48.15%	26
1 (2)	18.52%	10
2 (3)	18.52%	10
3 (4)	3.70%	2
4 (5)	1.85%	1
5 (6)	0.00%	0
5-9 (7)	3.70%	2
Over 10 (8)	5.56%	3
TOTAL		54

BASIC STATISTICS				
Minimum	Maximum	Median	Mean	Standard Deviation
1.00	8.00	2.00	2.35	1.95

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Q18: Do you have plans to increase the number of apprentices in your business in 2022?



ANSWER CHOICES	RESPONSES	
Yes (1)	50.94%	27
No (2)	26.42%	14
Unsure (3)	22.64%	12
TOTAL		53

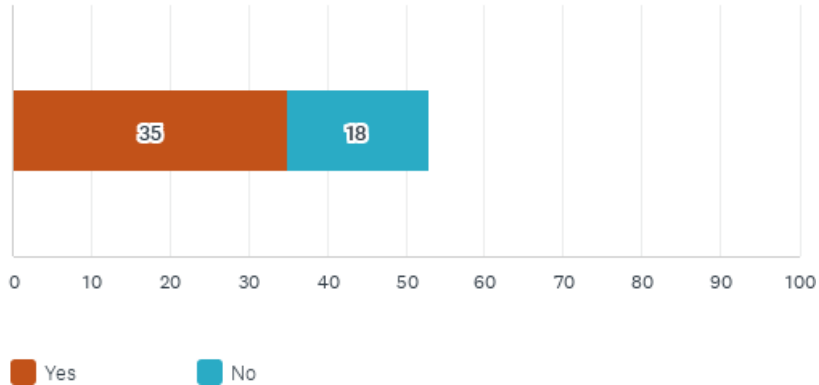
BASIC STATISTICS				
Minimum	Maximum	Median	Mean	Standard Deviation
1.00	3.00	1.00	1.72	0.81

For more on EDA's Apprenticeship Service
[visit our website](#) or call Tracy Hewett on 020
 3141 7358.

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Q19: Have you been actively recruiting during October 2021?

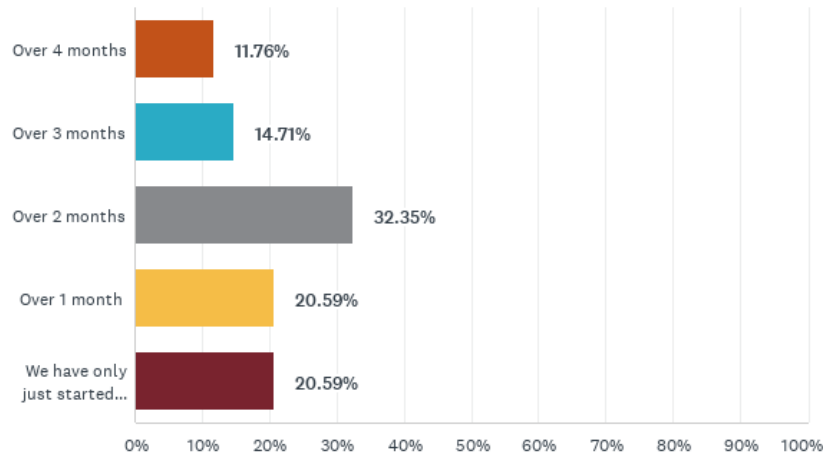


ANSWER CHOICES	RESPONSES	
Yes (1)	66.04%	35
No (2)	33.96%	18
TOTAL		53

BASIC STATISTICS				
Minimum	Maximum	Median	Mean	Standard Deviation
1.00	2.00	1.00	1.34	0.47



Q20: On average, how long have your vacancies been open?



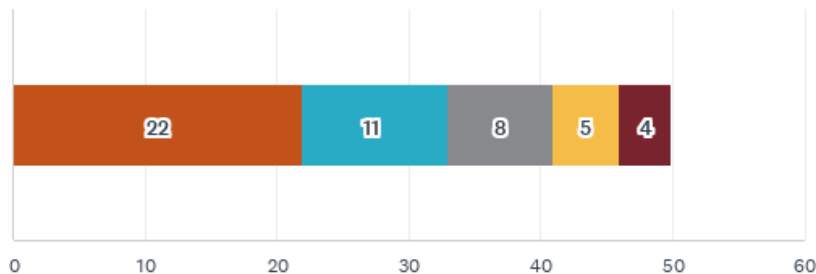
ANSWER CHOICES	RESPONSES	
Over 4 months (1)	11.76%	4
Over 3 months (2)	14.71%	5
Over 2 months (3)	32.35%	11
Over 1 month (4)	20.59%	7
We have only just started recruiting (5)	20.59%	7
TOTAL		34

BASIC STATISTICS				
Minimum	Maximum	Median	Mean	Standard Deviation
1.00	5.00	3.00	3.24	1.26

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Q21: If your business has been recruiting for some time, what do you think are the main reasons you have not been able to fill the roles? *Tick all that apply*



■ We are not ...
 ■ Candidates...
 ■ Our busine...
 ■ Those invit...
 ■ We have fo...

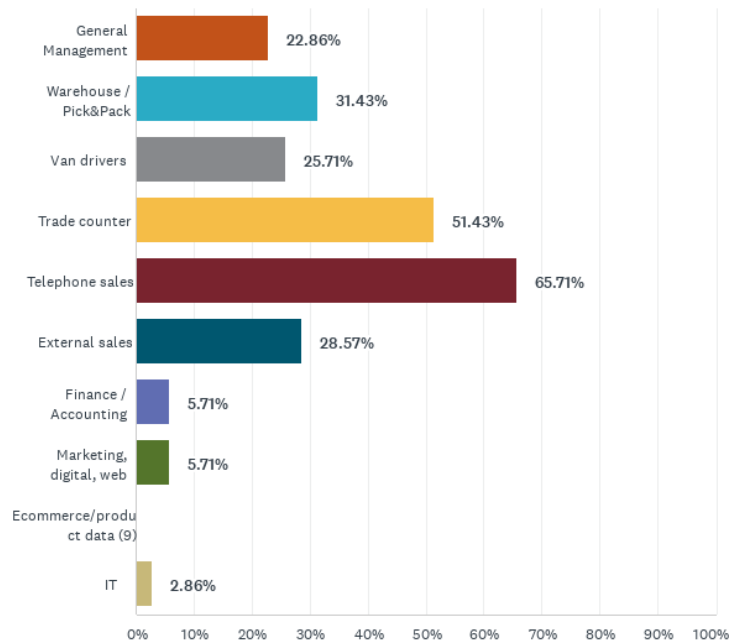
ANSWER CHOICES	RESPONSES
We are not receiving applications from suitably qualified people (1)	75.86% 22
Candidates' salary expectations exceed our budget (2)	37.93% 11
Our business has local competition from other sectors with deeper pockets (3)	27.59% 8
Those invited for interview do not turn up (4)	17.24% 5
We have found people we like but they have turned the job down (5)	13.79% 4
Total Respondents: 29	

BASIC STATISTICS				
Minimum	Maximum	Median	Mean	Standard Deviation
1.00	5.00	2.00	2.16	1.30

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Q22: Which job roles are your most challenging to fill (please tick your top three)?



ANSWER CHOICES	RESPONSES	
General Management (1)	22.86%	8
Warehouse / Pick&Pack	31.43%	11
Van drivers (3)	25.71%	9
Trade counter (4)	51.43%	18
Telephone sales (5)	65.71%	23
External sales (6)	28.57%	10
Finance / Accounting (7)	5.71%	2
Marketing, digital, web	5.71%	2
Ecommerce/product data (9)	0.00%	0
IT (10)	2.86%	1
Total Respondents: 35		

BASIC STATISTICS				
Minimum	Maximum	Median	Mean	Standard Deviation
1.00	10.00	4.00	4.10	1.80

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Q23: Please share your views on the outlook for the UK's electrotechnical sector for 2022.

Comments from wholesalers to this open-ended question are shown below and on the following page:

- Strong but incredibly hard operationally owing to supply chain, pricing, and recruitment challenges
- I expect a substantial downturn.
- Busy but tricky to supply speedily
- Good
- Concerning
- Challenging and could go either way
- The outlook is good if we can get over the supply issues and keep interest rates down
- Uncertain
- We think the outlook for the UK's electrotechnical sector in 2022 is positive, so long as we get continuity of supply of materials and COVID is kept in check!
- My view has changed over the last couple of months. I was very optimistic for 2022. The increases in cost of living, the increase in basic needs (fuel and utilities) will impact peoples buying decisions. I feel trading will be flat compared with 2021.





Q23: Please share your views on the outlook for the UK's electrotechnical sector for 2022. *Continued*

Comments from wholesalers to this open-ended question are shown below and on the following page:

- When will this bubble burst?
- The outlook is positive subject to product being available to supply
- Growth is going to be tough due to both staff and stock shortages add into the mix the crazy greedy price increases and going forward will be difficult
- I'm cautiously optimistic independent wholesalers will have opportunity for continual growth. The market continues to be buoyant. The major challenges are in retaining quality staff in our sector and the continual price rise of products.
- Supply shortages, logistics and COS continue to be key factors affecting sales coupled with recruitment. The market is buoyant in the DIY/RMI sector
- Expect a continuation of growth in the sector but also expect a continuation of contractor debts.
- Current strong market levels likely to endure through to the end of the year? Your guess is as good as mine...

